

**SUBJECT TO REVIEW****Annexure 3A****BSX Listing Rules****Half yearly/Yearly Disclosure****References** Issued 30/8/2000

Chapter 3, BSX Listing Rules

VICTORIAN LIVESTOCK EXCHANGE LIMITED AND CONTROLLED ENTITY

Name of entity

72 078 893 031

Half yearly (tick)

☒

31 DECEMBER 2005

ABN, ACN or ARBN

Annual (tick)

☐Half year/financial year ended  
(‘Current period’)**Summary**

				\$A,000
Sales revenue or operating revenue	up/down	23.3%	to	995
Profit (loss) before abnormal items and after tax	up/down	NA	to	(48)
Abnormal items before tax		gain (loss) of		Nil
Profit (loss) after tax but before outside equity interests	up/down	NA	to	(48)
Extraordinary items after tax attributable to members		gain (loss) of		Nil
Profit (loss) for the period attributable to members	up/down	NA	to	(48)

Dividends (distributions)	Franking rate applicable	NA
Current period	Final	NA¢
	Interim	Nil¢
Previous corresponding period	Final	NA¢
	Interim	Nil¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution)		NA

Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

None

### Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	995	807
Expenses from ordinary activities	(909)	(713)
Borrowing costs	(154)	(76)
Share of net profit (loss) of associates and joint venture entities	Nil	Nil
Profit (loss) from ordinary activities before tax	(68)	18
Income tax on ordinary activities	20	(6)
Profit (loss) from ordinary activities after tax	(48)	12
Outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax attributable to members	(48)	12
Profit (loss) from extraordinary activities after tax attributable to members	Nil	Nil
Profit (loss) for the period attributable to members	(48)	12
Retained profits (accumulated losses) at the beginning of the financial period	1,737	668
Net transfers to and from reserves	Nil	Nil
Net effect of changes in accounting policies	Nil	Nil
Dividends paid or payable	Nil	Nil
Retained profits (accumulated losses) at end of financial period	1,689	680

**Profit restated to exclude amortisation of goodwill**

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	(48)	12
Less (plus) outside equity interests	Nil	Nil
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	(48)	12

**Revenue and expenses from operating activities**

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
REVENUE:		
Weigh fees & store sales	634	546
Droving fees	76	75
Auctioneers fees	34	32
Truckwash fees	73	74
Rent revenue	30	28
Government grants	30	Nil
Sales revenue	56	Nil
Other revenue	62	52
TOTAL REVENUE	995	807
EXPENSES:		
Cost of sales	45	Nil
Depreciation and amortisation	187	154
Borrowing costs expense	154	76
Salaries and employee benefits expense	335	274
Other expenses from ordinary activities	344	285
TOTAL EXPENSES	1,063	789

## Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	Nil	Nil	Nil
Amortisation of other intangibles	Nil	Nil	Nil
<b>Total amortisation of intangibles</b>	Nil	Nil	Nil
Extraordinary items (details)	Nil	Nil	Nil
<b>Total extraordinary items</b>	Nil	Nil	Nil

## Comparison of half year profits

(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year		
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year		

## Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	3	30	68
Receivables	3,605	2,278	122
Investments	Nil	Nil	Nil
Inventories	84	62	114
Other (provide details if material)	42	31	21
<b>Total current assets</b>	<b>3,734</b>	<b>2,401</b>	<b>325</b>
<b>Non-current assets</b>			
Receivables	Nil	Nil	Nil
Investments	Nil	Nil	Nil
Inventories	Nil	Nil	Nil

Other property, plant and equipment (net)	13,998	12,988	5,886
Intangibles (net)	190	190	180
Other (provide details if material)	36	15	12
<b>Total non-current assets</b>	<b>14,224</b>	<b>13,193</b>	<b>6,078</b>
<b>Total assets</b>	<b>17,958</b>	<b>15,594</b>	<b>6,403</b>
<b>Current liabilities</b>			
Accounts payable	1,107	2,786	128
Borrowings	1,397	91	Nil
Provisions	483	550	161
Other (provide details if material)	5	Nil	2
<b>Total current liabilities</b>	<b>2,992</b>	<b>3,427</b>	<b>291</b>
<b>Non-current liabilities</b>			
Accounts payable	Nil	Nil	Nil
Borrowings	5,028	2,184	2,000
Provisions	1,707	1,704	284
Other (provide details if material)	Nil	Nil	Nil
<b>Total non-current liabilities</b>	<b>6,735</b>	<b>3,888</b>	<b>2,284</b>
<b>Total liabilities</b>	<b>9,727</b>	<b>7,315</b>	<b>2,575</b>
<b>Net assets</b>	<b>8,231</b>	<b>8,279</b>	<b>3,828</b>
<b>Equity</b>			
Capital	3,247	3,247	3,148
Reserves	3,295	3,295	Nil
Retained profits (accumulated losses)	1,689	1,737	680
Equity attributable to members of the parent entity	8,231	8,279	3,828
Outside equity interests in controlled entities	Nil	Nil	Nil
<b>Total equity</b>	<b>8,231</b>	<b>8,279</b>	<b>3,828</b>
Preference capital and related premium included	Nil	Nil	Nil

## Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	988	827
Payments to suppliers and employees	(1,977)	(529)
Dividends received	Nil	Nil
Interest and other items of similar nature received	1	2
Interest and other costs of finance paid	(167)	(76)
Income taxes paid	(72)	Nil
Other (provide details if material)	Nil	Nil
<b>Net operating cash flows</b>	<b>(1,227)</b>	<b>224</b>
<b>Cash flows related to investing activities</b>		
Payments for purchases of property, plant and equipment	(2,951)	(116)
Proceeds from sale of property, plant and equipment	1	2
Payment for purchases of equity investments	Nil	Nil
Proceeds from sale of equity investments	Nil	Nil
Loans to other entities	Nil	Nil
Loans repaid by other entities	Nil	Nil
Other (provide details if material)	Nil	Nil
<b>Net investing cash flows</b>	<b>(2,950)</b>	<b>(114)</b>
<b>Cash flows related to financing activities</b>		
Proceeds from issues of securities (shares, options, etc.)	Nil	Nil
Proceeds from borrowings	3,755	Nil
Repayment of borrowings	(5)	(150)
Dividends paid	Nil	Nil
Other (provide details if material)	Nil	Nil
<b>Net financing cash flows</b>	<b>3,750</b>	<b>(150)</b>
<b>Net increase (decrease) in cash held</b>	<b>(427)</b>	<b>(40)</b>
Cash at beginning of period (see <i>Reconciliation of cash</i> )	(51)	108

Exchange rate adjustments	Nil	Nil
<b>Cash at end of period</b> (see Reconciliation of cash)	(478)	68

### Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

None
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### Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	3	68
Deposits at call	Nil	Nil
Bank overdraft	(481)	Nil
Other (provide details)	Nil	Nil
Total cash at end of period	(478)	68

### Ratios

<b>Profit before tax/sales</b>	Current period	Previous corresponding period
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	(6.8%)	2.2%
<b>Profit after tax/equity interests</b>		
Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(0.6%)	0.3%

### Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	(1.4 cents)	0.4 cents

(b) Diluted EPS (if materially different from (a))		
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#### NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	238.9 cents	111.1 cents

#### Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	1	2
Interest revenue included but not yet received (if material)	Nil	Nil
Interest costs excluded from borrowing costs capitalised in asset values	Nil	Nil
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	Nil	Nil
Depreciation (excluding amortisation of intangibles)	187	153
Other specific relevant items	Nil	Nil

#### Control gained over entities having material effect

Name of entity	NA
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	\$NA
Date from which such profit has been calculated	NA
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	\$NA



**Loss of control of entities having material effect**

Name of entity	NA
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	\$NA
Date from which the profit (loss) has been calculated	NA
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	\$NA
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$NA

**Reports for industry and geographical segments****Segments**

Operating Revenue			NA
Sales to customers outside the economic entity			NA
Inter-segment sales			NA
Unallocated revenue			NA
Total revenue			NA
Segment result			NA
Unallocated expenses			NA
Consolidated profit from ordinary activities after tax (before equity accounting)			NA
Segment assets	NA	)	<i>Comparative data for segment assets should be as at the end of the previous corresponding period</i>
Unallocated assets	NA	)	
Total assets	NA	)	

**Dividends**

Date the dividend is payable	NA
Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	NA

**Amount per security**

		Franking rate applicable		%
<i>(annual report only)</i>				
<b>Final dividend:</b>	Current year			¢
	Previous year			¢
<i>(Half yearly and annual statements)</i>				
<b>Interim dividend:</b>	Current year			Nil¢ NA
	Previous year			Nil¢ NA

**Total annual dividend (distribution) per security**  
*(Annual statement only)*

	Current year	Previous year
Ordinary securities	¢	¢
Preference securities	¢	¢

**Total dividend (distribution)**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	Nil	Nil
Preference securities	NA	NA
<b>Total</b>	Nil	Nil

**Half yearly report – interim dividend (distribution) on all securities or Annual report – final  
dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	Nil	Nil
Preference securities	NA	NA
<b>Total</b>	Nil	Nil

The dividend or distribution plans shown below are in operation.

The VLE Dividend Reinvestment Plan, as approved at the 2003 Annual General Meeting

The last date(s) for receipt of election notices to the dividend or distribution plans NA

Any other disclosures in relation to dividends (distributions)

None

### Equity accounted associated entities and other material interests

*Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.*

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.	Nil	Nil
Income tax	Nil	Nil
Profit (loss) from ordinary activities after tax	Nil	Nil
Extraordinary items net of tax	Nil	Nil
Net profit (loss)	Nil	Nil
Outside equity interests	Nil	Nil
Net profit (loss) attributable to members	Nil	Nil

**Material interests in entities which are not controlled entities**

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
<b>Equity accounted associates and joint venture entities</b>				
None				
<b>Total</b>	Nil	Nil	Nil	Nil
<b>Other material interests</b>				
<b>Total</b>	Nil	Nil	Nil	Nil

**Issued and listed securities**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
<b>Preference securities (description)</b>	NA	NA	NA	NA
Changes during current period	NA	NA	NA	NA
<b>Ordinary securities</b>	2,550,000	2,550,000	100	100
	721,820	721,820	110	110
	79,392	79,392	125	125

Changes during current period	Nil	Nil	NA	NA
<b>Convertible debt securities</b> (description and conversion factor)	Nil	Nil	NA	NA
Changes during current period	Nil	Nil	NA	NA

			Exercise price	Expiry date
<b>Options</b> (description and conversion factor)	Nil	Nil	NA	NA
Changes during current period	Nil	Nil	NA	NA
Exercised during current period	Nil	Nil	NA	NA
Expired during current period	Nil	Nil	NA	NA
<b>Debentures</b>	Nil	Nil		
<b>Unsecured Notes</b>	Nil	Nil		

## Discounting Operations

### Consolidated profit and loss account

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue	995	807	Nil	Nil	995	807
Other revenue	Nil	Nil	Nil	Nil	Nil	Nil

Expenses from ordinary activities	(1,063)	(789)	Nil	Nil	(1,063)	(789)
Profit (loss) before tax	(68)	18	Nil	Nil	(68)	18
Less tax	20	(6)	Nil	Nil	20	(6)
Profit (loss) from ordinary activities after tax	(48)	12	Nil	Nil	(48)	12

### Consolidated statement of cash flows

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows	(1,227)	224	Nil	Nil	(1,227)	224
Net investing cash flows	(2,950)	(114)	Nil	Nil	(2,950)	(114)
Net financing cash flows	3,750	(150)	Nil	Nil	(3,750)	(150)

### Other disclosures

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:		
- total assets	Nil	Nil
- total liabilities	Nil	Nil
Profit (loss) on disposal of assets or settlement of liabilities	Nil	Nil
Related tax	Nil	Nil
Net profit (loss) on discontinuance	Nil	Nil

#### Description of disposals

None

#### Comments by *directors*

The company has performed satisfactorily for the first six months of the financial year.

The reporting period is devoid of land sales and thus causes a distortion when compared with other periods. There are expected to be land sales in the next six months.

VLE completed the transactions to purchase the Traralgon and Koonwarra (Leongatha) saleyards from Landmark. Koonwarra is undergoing a significant refurbishment which will bring it up to the same standard as Pakenham. Leongatha has been temporarily closed and the business amalgamated with that of the Korumburra saleyards.

The balance sheet item of "Property, plant and equipment" can be expected to alter in the next six months when a statutory revaluation will occur and the Leongatha refurbishment is complete.

The previously announced conditional agreements to purchase the operating businesses of Sale Livestock Exchange and Korumburra saleyards are not yet complete but Korumburra is expected to be concluded very soon.

Funding of the Landmark purchases and refurbishment of Leongatha have resulted in an increase in the quantum of interest charges met by the company; this is an expected result of expanding the business base and is not an item of concern to the board. The cash flows that result from the expansion are expected to justify the worth of that expansion in due course.

The truck wash upgrade is progressing. The new plant should be operating soon.

The new security system, gates and cameras are now operational and are proving quite satisfactory.

As in previous reports, the functionality of the Pakenham facility continues to be top class and well exploited by VLE management and staff and by the agency staff who operate there.

The company continues to enjoy strong support from its employees, agencies, vendors and members of the beef buying and processing sector.

#### Basis of accounts preparation

*If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.*

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

Refer directors' comments

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

On 16 January 2006, the company signed contracts to purchase the rights to operate livestock saleyards at Sale and Korumburra for a total of \$1,300,000.

On 28 February 2006, 86,079 new shares were issued under the Dividend Re-Investment Plan.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Balance of franking account at 31 December 2005 adjusted for franking credits arising from payment of provision for income tax and franking debits arising from payment of proposed dividends is \$528,468. It is expected that any further dividends payable in the next year will be fully franked.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. A summary of the inconsistencies are as follows:

1) Under AASB138 Intangible assets with an indefinite useful life are not amortised but subject to annual impairment testing. All Intellectual Property amortised under previous GAAP has been reversed. Amortisation charges amounting to \$40,500 have been reversed to retained earnings at 1 July 2004. Intellectual Property amounting to \$9,000 previously amortised in the 2005 full financial year has been reversed to the income statement for the year ended 30 June 2005. Intellectual Property amounting to \$4,500 previously amortised for the 2004 half year has been reversed in the income statement for the half year ended 31 December 2004.

2) Under AASB112: Income Taxes, the entity has adopted a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit. This has resulted in the recognition of a deferred tax liability at 30 June 2005 of approximately \$1,412,017 in relation to the asset revaluation. A corresponding reduction has been recognised in the asset revaluation reserve.

3) Under Australian equivalents to IFRS, gains or losses on disposal of non-current assets are recognised on a net basis by recognising the proceeds net of the carrying value of the asset. Under previous GAAP, gross proceeds were disclosed as revenue and carrying value of assets disposed disclosed as expense. This reclassification has no effect on net profit for the 2005 full financial year and half year to 31 December 2004.

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

None



### Additional disclosure for trusts

Number of unites held by the management company or responsible entity to their related parties.

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

### Annual meeting

*(Annual statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are/~~are not~~\* (*delete one*) followed as compared with the most recent annual accounts.
- 4 This statement does/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:

*(Tick one)*

☐

The financial statements have been audited.



The financial statements have been subject to review by a registered auditor (or overseas equivalent).

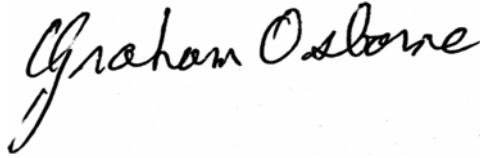
Date ☐ 08/2000

The financial statements are in the process of being audited or subject to review.

☐

The financial statements have *not* yet been audited or reviewed.

- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*).
- 7 The entity has/~~does not have~~\* (*delete one*) a formally constituted audit committee.



Sign here:

(*Director/Company secretary*)

Date: 16 March 2006

Print name: GRAHAM OSBORNE

### Notes

**True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

**Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

**Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.